

Take Charge of Your Future

Are You Taking Full Advantage of the State of Kansas Deferred Compensation Plan?

Investing for Retirement May not Cost as Much as You Think.

Let's review an example of an employee making \$30,000 a year, and the impact of a \$100 per pay period (26 pay periods) contribution to the KDC plan. Filing status is single with one allowance.

	Without KDC	With KDC
KDC Contribution	\$ 0	\$ 100
Net Taxable Income	\$1,154	\$1,054
Federal Income Tax (20%)	\$ 119	\$ 104
State Income Tax (5%)	\$ 44	\$ 37
F.I.C.A.	\$ 88	\$ 88
KPERS	\$ 46	\$ 46
Take Home Pay	\$ 856	\$ 776

This hypothetical illustration is for illustrative purposes only and does not intend to depict the performance of any specific investment. Systematic investing does not assure a profit and does not protect against loss in declining markets. Investors should consider their financial ability to continue their purchases throughout periods of low price levels.

- Because your KDC plan contribution helps reduce current Federal and State taxes, it actually only costs you \$80 to make a \$100 investment. (Taxes are due upon withdrawal from the plan.)*
- Investing \$100 per pay period, assuming 8% annual rate of return results in an accumulation of \$324,435.59 after a 30 year period.*

* This hypothetical illustration assumes an 8% annual rate of return, compounded and does not reflect the performance of any specific investment option. This figure does not include fees or expenses that the product would assess, including a mortality and expense risk charge. If included, the fees would reduce the figure shown above. Consider your personal investment horizon as well as your current and anticipated income bracket when making an investment decision, as these may further impact the figure shown above.

Why Deferred Compensation?

- Convenient payroll deductions
- Pre-tax contributions
- Tax-deferred earnings
- Investment selections
- Quarterly statements
- Flexible payouts upon separation of service

Why the State of Kansas Deferred Compensation Plan?

- No administrative expenses
- Two local service centers in Topeka and Overland Park
- Wide selection of investment options with competitive fund expenses
- Self-Directed Brokerage Accounts (a \$50 annual fee applies)
- Convenient online account access
- Online investment advice from Morningstar® Advice OnlineSM

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To help you plan for your future, the State of Kansas sponsors a 457 Deferred Compensation Plan (KDC) that allows you to make tax-deferred contributions through convenient payroll deductions. Deferred Compensation plans are long-term investments designed for retirement purposes and participation in the KDC plan can help you pursue your financial goals.



Plan Highlights

- No administrative expenses
- State and Federal tax-deferred
- Contributions and any earnings are tax-deferred until withdrawn
- Plan portability upon separation from service
- 23 core investment options
- Minimum contribution per pay period of \$11.54
- Ability to make changes to your account every 90 days
- Contributions are credited upon receipt by ING
- Fixed Account credited interest rate option
- Immediate eligibility
- Representatives located throughout Kansas

Contribution Limits

Year	Annual Maximum	Over age 50
2004	\$13,000	\$16,000
2005	\$14,000	\$18,000
2006	\$15,000	\$20,000

You should consider the investment objectives, risks, and charges and expenses of the variable product and its underlying fund options; or mutual funds offered through a retirement plan, carefully, before investing. The prospectuses/ prospectus summaries/ information booklets contain this and other information, which can be obtained by contacting your local representative. Please read the information carefully before investing.

Variable annuities are long-term investments designed for retirement purposes. Money distributed from the annuity will be taxed as ordinary income in the year the money is received. An annuity does not provide any additional tax deferral benefit, as tax deferral is provided by the plan. Annuities are subject to additional fees and expenses, of which other tax-qualified funding vehicles may not be subject. An annuity does offer other features and benefits, such as lifetime income payments and death benefits, which may be valuable to you. Account values fluctuate with market conditions and when surrendered, the principal may be worth more or less than its original amount invested.

Kansas Deferred Compensation Service Centers

Topeka

212 SW 8th, Suite 100

Topeka, Kansas 66603

785.296.7095

Outside Topeka: 800.232.0024

Overland Park

10740 Nall

Overland Park, Kansas 66210

913.661.3764

Outside Overland Park: 800.814.1643

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